

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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LIBERTY MUTUAL INSURANCE COMPANY,  
LIBERTY MUTUAL FIRE INSURANCE  
COMPANY, PEERLESS INSURANCE  
COMPANY, SAFECO CORPORATION, AND  
LIBERTY LIFE ASSURANCE COMPANY  
OF BOSTON,

Plaintiffs,

MEMORANDUM OPINION  
AND ORDER

-against-

11 Civ. 5484 (MGC)

09 MD 2072 (MGC)

GOLDMAN, SACHS & CO.,

Defendant.

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APPEARANCES:

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**Cedarbaum, J.**

Defendant's motion to dismiss plaintiffs' federal securities fraud claims under Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, is granted with leave to file a Second Amended Complaint by June 5, 2012. A Second Amended Complaint should allege sufficient facts to make it plausible that defendant had ultimate authority over the alleged misrepresentations in the Series Z Offering Circular. In addition, a Second Amended Complaint should state with particularity the facts that show that defendant intentionally misrepresented its knowledge of the capitalization of Freddie Mac or the facts that show that defendant recklessly ignored such knowledge. I reserve decision on defendant's motion to dismiss plaintiffs' state law claims.

SO ORDERED.

Dated: New York, New York  
May 2, 2012

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MIRIAM GOLDMAN CEDARBAUM  
United States District Judge